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# *Marketing Activities*



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Taking two sets of figures--one on annual fruit supplies and the other on population--Mr. Guellow, Associate Agricultural Statistician, finds that the per capita production of fruit is on the upgrade. It is done by long division.

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A few years ago, the egg marketing situation in Michigan left much to be desired. So Michigan did something about it. Mr. Nelson, Director of the Bureau of Agricultural Industry, Michigan Department of Agriculture, explains all.

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## CN MARKETING--

Most of us can remember when such Government activities as developing and promoting the use of uniform standards, market news, and even crop reports were regarded by many as an unwarranted encroachment upon private business and a waste of public funds. These activities, together with much of the regulatory work in marketing today, received their first impetus from the last war. Having demonstrated their usefulness in war time, it was recognized that they could be equally useful in peace time. Now it is generally accepted that activities or "services" of this kind can be most effectively carried on by government. Considerable progress has been made in developing such services; but they have not yet been developed to their maximum usefulness.

--C.W. Kitchen

Chief, Agricultural Marketing Service



## THE MOTHER OF OVER 800 MILLION CHICKS

. . . . . By Robert F. Moore

Over 800 million baby chicks will have to scratch for themselves in 1941. Hatched artificially and scientifically in incubators, they will be orphans in the true sense of the word. But these motherless children do not need much sympathy. Most of them will receive better care than nature ever provided, and a large percentage of them will grow up to adult chickenhood.

The commercial hatchery industry in the United States is a comparatively recent development. In 1873, a patent was issued to Jacob Graves of Massachusetts for an "Incubator and Artificial Mother," and a farm magazine the same year carried Graves' advertisement offering for sale 2- to 4-week old chicks. Four other hatcheries began operations in the 80's and this decade is generally considered to be the starting point of the commercial hatchery industry.

Less than 1 percent of the hatcheries operated today were in business in 1900. From that year until 1920 there was a very gradual increase. Since 1920 the increase in numbers of hatcheries has been very rapid until today the commercial hatchery industry supplies over 70 percent of the chicks raised each year. The industry includes 11,000 units, some with a capacity of well over a million eggs. It is estimated that hatcheries produced about 900 million chicks in 1939. The preliminary estimate for 1940 is approximately 825 million.

Hatcheries are located in every State of the Union. There are, however, great differences between the various sections of the country in the production of baby chicks. The output of chicks by hatcheries located in the great feed-producing States far exceeds the production of hatcheries located in other sections of the country. During 1940, the East and West North Central States--the Corn Belt--produced approximately 58 percent of the total chicks hatched by commercial hatcheries, the South Central States 10 percent, the Middle Atlantic States 9 percent, the South Atlantic States 8 percent, the Pacific Coast States 7 percent, the New England States 6 percent, and the Mountain States 2 percent.

### The Broiler Industry Develops

The Corn Belt States, no doubt, will remain the main source of poultry in the United States for many years to come, but significant developments in the hatchery industry are taking place in other sections of the country. The largest increases of both capacity and production of hatchery chicks between 1934 and 1938 were noted in States that had previously lagged in the development of commercial hatcheries. Such increases were in the New England, South Atlantic, and South Central States. One of the principal factors accounting for these in-

creases is the almost phenomenal growth of the broiler industry. Mass production of broilers is a relatively new development, a large part of the development taking place during the past 6 years. Hatcheries are now producing millions of chicks during every month of the year exclusively for this new industry, so the hatchery season no longer is limited by nature and the whims of setting hens.

Hatcheries have done a great deal to distribute the results of the vast improvements made in breeding. Today, many hatcheries in the country are known as "breeder hatcheries." These establishments maintain their own flocks for producing eggs, because producers of poultry and eggs want chicks that are healthy and bred for high production. To insure the production of healthy and well-bred chicks, many hatchery breeders have spent thousands of dollars and much painstaking effort to build up their flocks to high standards of performance. Rigid culling is practiced by all good breeders to be sure that the breeding flock contains only choice physical specimens. Only the best females and cockerels are placed in the breeding pens. Not only have the birds had a good physical examination but many have been blood tested for disease. Some diseases of poultry can be transmitted through the egg and no good breeder will use eggs from hens that blood testing has shown to be carriers of a disease.

The efforts to bring about a reduction in hatchery losses due to controllable diseases, as well as to provide recognition to poultry breeders for their breeding records, resulted in the initiation of the National Poultry Improvement Plan in 1935. This plan is administered in each State by an official State agency cooperating with the Bureau of Animal Industry, United States Department of Agriculture. Through its efforts, effective poultry improvement programs have been established throughout the country and splendid results have been accomplished in improving the quality of chicks, both from a standpoint of physical vigor and high production of eggs.

The hatchery industry is largely responsible for the widespread practice of "sexing" chicks, the first practical methods being introduced into this country by the Japanese. The art of determining the sex of day-old chicks has filled a definite need in the poultry industry. Poultrymen who prefer only pullets for egg production no longer have to bother about raising cockerels; and since cockerels grow faster than pullets, they are much preferred by broiler producers. Millions of sexed chicks are sold annually by hatcheries.

#### Baby Chicks, C.O.D.

In the early development of commercial hatcheries, practically all of the chicks produced were sold locally. Hatcheries in those days had a capacity for only a few thousand eggs and sales outside of the immediate neighborhood of the hatchery were exceptional. As the poultry and egg industry grew and demand for chicks increased throughout



the country, hatcheries were not long in developing shipping devices and transportation arrangements that permitted shipping chicks long distances. Today, millions of chicks are shipped hundreds of miles in paper board boxes by parcel post, express, and trucks.

The problem of merchandising is very difficult for the hatcheryman. Once the chicks are hatched they cannot be stored like grain. Although many hatcheries have provided facilities for holding chicks a short time, the expense involved for feed and labor is such that holding chicks very long is not a general practice. A hatcheryman, to avoid heavy loss, must be in a position to "size up" in advance the probable demand for chicks. To do this, a successful hatcheryman should have information on the factors affecting the immediate demand for chicks, and on the factors that are likely to have an important bearing on the tempo of commercial hatchings throughout the hatching season. Some of the important factors affecting the demand for chicks are current and prospective trends in egg production, prices of eggs and poultry, prices of feed, poultry and egg supplies in storage, demand for poultry and eggs, and the trend of commercial hatchings.

Of particular interest to hatcherymen has been information about their own industry. The Monthly Hatchery Report was inaugurated by the United States Department of Agriculture in 1929 to provide information on changes in the number of eggs set, chicks hatched, and number of chicks on advance orders. The data in the report have been given in terms of percentage changes between the current month and the same month of the preceding year. Information in this form has been useful but has had limitations because comparisons can be made only between two specific periods. The comparability of current monthly data not only with the same month in the preceding year, but with previous months or periods, greatly increases the report's usefulness. What are needed most are estimates of total eggs set and chicks hatched for the country as a whole. It is this goal that the Agricultural Marketing Service has been working toward for the past 2 years.

#### Data Based on AAA Surveys

The difficulty of estimating the number of eggs set and the number of salable chicks hatched by commercial hatcheries has been heretofore due to lack of information on the total number of eggs set and the total number of chicks hatched for any specific period. This difficulty was eliminated by two complete surveys made by the Agricultural Adjustment Administration in 1934 and in 1937-38. A supplementary survey was made by the Agricultural Marketing Service early in 1930 to determine the monthly distribution of the total number of chicks hatched in 1938 and 1939. The Department is now in a position to make monthly estimates of total chicks produced, and beginning with the February 1941 issue of the Monthly Hatchery Report, proposes to do so.

It is doubtful if many persons visualized a few years back that

commercial hatcheries would soon be producing just short of a billion chicks a year. A forecast that the industry will produce a billion chicks a year within the next decade is not unreasonable. The industry will no doubt continue to replace farm hatching. Also, continued expansion in the production of chicks may be expected in meeting the requirements of the rapidly growing "out-of-season" broiler industry. The hatchery industry is now producing about 80 million chicks during the season when hatcheries are normally expected to be closed.

The outlook for the hatchery industry during 1941 appears to be favorable. Poultry prices are higher than they were at this time last year. The feed-egg ratio is more favorable to producers than a year earlier and with little change expected in feed prices during 1941 compared with 1939, the feed-egg ratio should continue more favorable than a year earlier. This change will have a stimulating effect upon the demand for chicks during the first half of 1941 when a large part of the production of chicks is for pullets. The improvement in consumer demand is also continuing largely as a result of expenditures for national defense. All of these factors indicate a large hatch for 1941.

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#### SCHEDULE, CONTENTS OF 1941 CROP AND LIVESTOCK REPORTS

The 1941 schedule of issuance dates of the various crop and livestock reports is now available. Copies may be obtained by addressing requests to the Agricultural Marketing Service, Washington, D. C.

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#### REPORT SHOWS EUROPE CAN'T EXPECT MUCH FOOD, FEED, OR FIBER FROM DANUBE BASIN

There is little prospect that the Danube Basin will be able to supply the Axis Powers this winter with the large quantities of food, feed, and fiber formerly imported from overseas, says Dr. Frederick Strauss, of the Office of Foreign Agricultural Relations. Serious difficulties would also confront any rapid expansion in Danubian export surpluses in the event of a protracted war, Dr. Strauss believes.

The significance of the Danube Basin as a potential source of supply for food, feedstuffs, and other farm products was greatly enhanced by the British blockade of virtually all parts of continental Europe. The lower Danubian Basin, comprising Romania, Hungary, Yugoslavia, and Bulgaria, has long been the most important agricultural surplus producing region of Europe. Strauss says, however, that while surpluses formerly sent to the British market will now be available for distribution in Germany and in the countries under its domination, even the normal level of Danubian agricultural exports falls far short of total continental import requirements.



ANNUAL REPORT OF AMS STRESSES  
PROGRESS OF MARKETING SERVICES

The marketing facilities of the Department of Agriculture are better able to carry the burden of national defense requirements than in 1917, says C. W. Kitchen, Chief of the Agricultural Marketing Service, in his annual report. Mr. Kitchen points out that a large part of the basic marketing work carried on today, such as the standardization, inspection, and market news services, had to be set up after the World War had begun.

Kitchen states that, to a large extent, the service and regulatory work performed today helps to keep all groups in closer touch with each other. Market news and agricultural statistics, for example, keep the public informed of supplies, movement, and prices. Standardization and inspection permit trading on a quality basis even when products must be shipped all the way across the country. And the regulatory work promotes fair play in the handling of farm products after they have left producer's hands.

Practically all States cooperated with the Service in one or more lines of work last year, and more than 300 cooperative agreements were in effect.

Thousands of Crop Reporters Cooperate

Reviewing the year's work, Mr. Kitchen finds that much progress was made in all fundamental activities. Through the cooperation of thousands of voluntary crop reporters, it was possible to issue over 5,000 separate reports on various phases of farm-commodity production and distribution. In the field of market news, the radio service showed a marked gain in efficiency, with about 400 stations broadcasting market news one or more times daily. Notable in the standardization and inspection work was the increased volume of cotton classified under the Smith-Doxey Act, a sharp upturn in the quantity of tobacco inspected at designated markets, and the inauguration of the continuous inspection service on canned fruits and vegetables.

The new Federal Seed Act became effective during the year and licensed storage capacity under the U. S. Warehouse Act set a new record. At the close of the year, about 21,000 distributors of fresh fruits and vegetables were licensed under the Perishable Agricultural Commodities Act; 200 stockyards were posted under the Packers and Stockyards Act; and almost 1,800 poultry dealers were licensed at 16 designated markets. Research moved forward to find more efficient ways to market farm commodities, particularly cotton, wool, and fruits and vegetables.

Copies of the "Report of the Chief of the Agricultural Marketing Service" can be obtained by addressing requests to the Agricultural Marketing Service, Washington, D. C.

## DWARF APPLE TREES

## APPEAL TO AMATEURS

A dwarf apple tree that will not grow taller than a man can reach, and that will bear fruit the first or second year after it is planted is now a practical accomplishment, says Dr. H. B. Tukey, horticulturalist at the New York State Experiment Station at Geneva. Though of no interest to the commercial fruit grower, the very dwarf fruit trees stocked by some nurserymen are attracting much interest among amateur gardeners and home owners.

The trees, true dwarfs in every sense of the word, are produced by grafting the desired variety on a standardized root stock. One that produces a marked dwarfing effect, Mr. Tukey reports, is the "Malling IX" or "Jaune de Metz." According to records at the Station, more than half the trees of many varieties will bear the first year planted, and the rest bear the second year.

One of the best for all-around usefulness is Delicious. The tree is attractive in blossom, leaf, and wood; and the fruit is symmetrical and well-shaped. Other varieties that do well on the Malling IX root stock include Wealthy, Rome, Cortland, Jonathan, R.I. Greening, Wolf River, Grimes, and Tompkins King.

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## LARGER TURKEY CROPS HAVE

## FOLLOWED DISEASE CONTROL

Larger turkey crops have followed better control of black-head, a disease that causes high mortality among turkey poults, says "Poultry and Egg Production," monthly report of the Agricultural Marketing Service. Losses of young turkeys from black-head, first recognized in New England in 1904, became so great during the next 20 years that very few turkeys were raised over much of the humid territory east of the Mississippi River. A rapid increase in production in the more arid lands west of the Mississippi was only a partial compensating factor. A low point of production was apparently touched in the late 20's, but production recovered rapidly.

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"Lisle" as a term in the textile industry comes from a city in France, where originally a linen yarn was made similar to today's mercerized cotton for which the name is used.

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The 1940 peanut crop of 1,612 million pounds was materially larger than the 1939 crop of 1,180 pounds, and was 23 percent above the record crop harvested in 1938.



## FRUIT TAKES A MUCH LARGER PLACE IN THE NATION'S DIET

. . . . . By Creighton N. Guellow

Human figures, in tune with the times, have tended to swing over to streamlining the last few years. One of the more significant effects of this change in body styles has been to make a large part of the population increasingly calory-conscious, both men and women now substituting more fruits for starchy, fattening foods in their daily diet. The figures show, both anatomically and statistically, that people are eating more fruit today than they did 20 years ago.

For example, total supplies of 15 major fruits, excluding cherries, averaged only 176 pounds per person for the five seasons, 1919 through 1923. But during the more recent period, 1934 through 1938, supplies of these fruits averaged 206 pounds. Fruit available the last 2 years has been even more plentiful. Excluding apples in noncommercial areas, per capita production totaled 218 pounds for the 1939 season, and 208 pounds for the 1940 season. The comparisons are based on supplies available for marketing during the 12-month period that begins in the late spring and ends the following spring.

If people have become figure-conscious, they have also become vitamin conscious; and this may account in part for the phenomenal expansion of citrus fruit production. During the 5-year period following the World War, the production of citrus fruit--oranges, grapefruit, and lemons--totaled only about 29 pounds per person. But during the more recent period, ending with the 1938 season, citrus production totaled over 60 pounds per person. The per capita supply of oranges almost doubled; the quantity of grapefruit available for each person more than tripled; and lemon supplies per person increased 57 percent, though some lemons have been diverted to the manufacture of various byproducts.

The upward trend in the production of citrus fruits still continues. Although much of the crop for marketing during the current fruit-marketing season, which ends late next spring, has not yet been harvested, present prospects indicate that for each man, woman, and child in the United States there will be approximately 47 pounds of oranges, 24 pounds of grapefruit, and 8 pounds of lemons.

### Other Fruit Crops Show an Increase

Though the expansion of citrus production is mainly responsible for larger fruit supplies, other crops show some increase. Annual per capita production of both pears and prunes averaged nearly 50 percent larger during the five seasons, 1934 through 1938, than during the five post-war years. Apricots were 30 percent more plentiful, on a per capita basis, and grapes were up 16 percent. Per capita supplies of California figs nearly doubled, and California olives increased two



and a half times. Production of avocados, which began to assume commercial importance in California in the early 20's, advanced from the "novelty" stage to an average of well over one-tenth of a pound per person during the same period. Complete information on cherries is available only since 1929, but per capita supplies during the past two seasons have been increasing. Commercial strawberry supplies, at 3 pounds per person, showed a slight increase.

Several fruits have been losing out in this race for public favor, however. Apple production, for example, declined from an average of 72 to 57 pounds per person between the early 20's and the middle 30's, possibly because of the increasing competition offered by other fruits. Peach supplies declined 5 percent and cranberry production decreased from one-half pound per person to four-tenths of a pound. Plum production in Michigan and California remained about constant at 1 pound per capita.

Americans are using more and more canned fruits. Back in the early 20's, canned grapefruit and grapefruit juice were practically unknown, but annual supplies of these products now average about 2 pounds per person. Canned pineapples, peaches, and pears are also increasing in popularity and canned plums and prunes, fruits for salad, and canned and preserved cherries are being used to a greater extent than 20 years ago.

The use of dried fruits, on the other hand, has declined about 8 percent in the past 20 years. Raisins, which make up a significant percentage of the dried fruit supply, accounted for most of the per capita decline, but a smaller use of dried apples, pears, peaches, figs, and currants also contributed to the decrease. Per capita production of dried prunes, apricots, and dates has increased.

#### Fruit Yields Are Larger

While production of 10 major tree and vine fruits, excluding citrus, has increased substantially during the past 20 years, the bearing acreage has not increased to a proportional extent. Thus a considerable part of the increase has been due to larger yields per acre. The heavier yields can probably be explained by the removal of low-yielding orchards and vineyards, improved cultural practices, and increased age of trees, resulting in more bearing surface per acre.

This explanation does not apply to the 3 citrus fruits, however, the acreage of which has more than tripled since 1919. During most of the past 20 years, the average yield per acre has declined with a large proportion of the bearing acreage consisting of young trees. Citrus groves are yielding heavier now, however, as trees grow older.

Before the war broke out in 1939, large quantities of fresh apples, pears, and citrus fruits, as well as dried apples, pears, apricots,

prunes, and raisins, were exported to Europe. But European markets are now closed to American fruits and may remain closed for some time. While the war continues, fruit growers are hoping that the volume of fruit consumed domestically will increase even more, especially among the low-income groups.

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U.S.D.A. ISSUES 1940 YEARBOOK,  
"FARMERS IN A CHANGING WORLD"

"Farmers In a Changing World," the 1940 Yearbook of the U. S. Department of Agriculture, is devoted to the social sciences as they relate to agriculture and the farm--economics, history, finance, sociology, social psychology, anthropology, education, and political science. Published recently, the new Yearbook is a fifth in the series of survey volumes covering broad fields of related sciences.

"A certain unity of viewpoint will be evident throughout most of the book," says Gove Hambidge, the editor, "but there are also a good many differences. The book does not represent official policy; it makes no claim to final wisdom; it simply explores agricultural problems, and the reader will sometimes find official policies, treated with skepticism, controversial viewpoints defended, and things discussed that do not enter into any policy.

"It would have been possible to avoid such differences. But the great merit of democracy, we Americans believe, is that it not only permits but encourages the expression of different viewpoints."

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MORE EFFICIENCY NEEDED IN POTATO  
MARKETING, CHICAGO STUDY SHOWS

A survey of the way late-crop potatoes are marketed in 1,165 retail grocery stores in Chicago indicates that more efficient methods of handling might improve the quality of the product offered to consumers. The published report of the Agricultural Marketing Service, "Retail Trade Practices and Preferences for Late-crop Potatoes in Chicago and Suburbs, and Quality Analyses of Potatoes Offered for Sale to Consumers, 1939-40," is based on the quality and size of potatoes found in 100-pound sacks, consumer packages, and bins when the stores were visited during the period from September 1939 to April 1940.

A companion study, "Retail Trade Practices and Preferences for Early-crop Potatoes in Chicago, and Quality Analyses of Potatoes Offered for Sale to Consumers, 1940," showed few marketing problems. Retailers and consumers in Chicago were reasonably well satisfied with the quality and size of early-crop potatoes handled during 1940. The only important objection was to lightburn on White Rose potatoes.



## NEW SPRAY KILLS APPLE BLOSSOMS; CHANGES BEARING HABIT OF TREES

Certain varieties of apples are known as biennial bearers because the trees produce a very heavy crop one year and almost none the next. But J.R. Magness and L.P. Batjer, Bureau of Plant Industry scientists, believe these bearing habits can be changed by the use of caustic sprays. They recently reported success in "changing over" an orchard of York Imperial trees by using a spray of tar oil distillate and di-nitro-ortho-cyclo-hexyl-phenol, commonly referred to as DNO. The sprays were put on when the blossoms were in the early pink stage, killing the blossoms and thus preventing a set of fruit in 1939. A normal crop of fruit was set in 1940.

Sometimes a late frost will kill all of the fruit buds or blossoms over a wide area and start a cycle of alternate "heavy" and "light" years. This situation exists now over parts of the East. For the last 8 years the crop in odd-numbered years has been consistently larger than in the even-numbered years. Growers who have orchards that bear heavily in the odd years are naturally anxious to change the schedule so that the heavy crops come in the even years when prices are better.

Research indicates that these sprays may also be used for killing only a part of the blossoms in the years of heavy production and thus promote a normal set of fruit every year; but more work will have to be done before this practice can be recommended to growers. Earlier work by Magness and others has demonstrated that the same end may be accomplished by thinning. Because of the very short time in which this thinning may be done, however, and the amount of hand labor necessary, this method is not always practical.

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## 1940 HOG PRODUCTION DECLINES 10 PERCENT FROM PREVIOUS YEAR

The downswing in hog production that began in the spring of 1940 continued through the fall and will continue at least through the spring season of 1941, the Agricultural Marketing Service states in its December pig crop report. Production of hogs in 1940--the spring and fall crops combined--was 10 percent smaller than in 1939, or 76,976,000 hogs compared with 85,894,000 in 1939. But the 1940 crop, despite the sharp drop in production, was the second largest of record.

The number of sows to farrow in the spring season of 1941 (Dec. 1, 1940 to June 1, 1941) is expected to approximate 6,938,000. This number is 14 percent smaller than the number of sows that farrowed in the spring of 1940, 20 percent below the number in the spring of 1939, and about the same as in 1938. While much above the low production years of the drought period, the number of sows indicated to farrow for the coming spring is much below any year of record prior to 1934.



THE WHY AND HOG OF THE EGG  
GRADING SERVICE IN MICHIGAN

. . . . . By Miles A. Nelson

There is a whole lot of difference between a good and a not-so-good egg. Yet, for years, eggs were marketed in Michigan with no reliable system for identifying this difference. Regardless of their age or interior quality, most eggs were designated or advertised as "Strictly Fresh"--a practice that was unpopular throughout the industry.

Producers of large, clean, fresh eggs were penalized because they received a lower price than they deserved. At the same time, producers of small, dirty low-quality eggs were paid higher prices than the quality of their product justified. Under this system--or lack of system, rather--an egg was an egg and prices of all qualities tended to approach a common level.

Consumers, too, never knew what kind of eggs they were buying for the "Strictly Fresh" designation covered a substantial portion of the quality scale. Furthermore, they were expected to pay as much for poor eggs as for good eggs.

Distributors were anxious to have some system worked out to eliminate the extra costs incidental to excessive handling, and to make available for immediate sale the eggs that would not keep well in storage. Distributors as a group also had to contend with the dissatisfaction of producers and consumers who complained of prices and quality.

Federal-State Agencies Step In

The first step to correct the egg-marketing situation in Michigan was the enactment of the Michigan Egg Law, which was passed in 1939 to prevent deception in the advertising and sale of eggs and to prevent the sale of eggs that were unfit for human consumption. The U. S. standards and grades for eggs in use by the Agricultural Marketing Service were adopted for the purpose of interpreting grade specifications and terms descriptive of exterior and interior quality. The next step was the establishment of the Federal-State Egg Grading Service by the State Department of Agriculture in cooperation with the Michigan State College and the Agricultural Marketing Service.

The Federal-State Egg Grading Service is now available at cost to any organization, firm, or person handling eggs in the State of Michigan entering into an agreement with the United States and Michigan Departments of Agriculture. The egg-grading stations that have been established are buying points for the purchase of eggs on a graded basis, and may be owned and operated by any organization. The stations are provided with well-trained, unbiased egg candlers and graders, who are on the payroll of the State Department of Agriculture. The graders are licensed by, and are responsible to, the Agricultural Marketing Service

and are under Federal-State supervision. The owners or managers of the stations, under an agreement with the State Department of Agriculture and the Agricultural Marketing Service, make payment into the grading fund of an amount equal to the salary of the licensed grader plus 15 percent, which goes to pay the cooperating agencies for the administration and supervision of the service. The operators of the stations also agree to abide by whatever regulations are issued by the U. S. Department of Agriculture pertaining to the proper grading of eggs and the issuance of certificates of quality.

It is also mutually agreed that the services of the official graders shall be available throughout each business day for the performance of duties as official graders and for certain other duties in or about the grading stations as the managers of the stations may direct. It is also agreed that in the performance of their duties as official graders, they shall be fully and completely responsible to the Federal-State Supervisor and through him to the Agricultural Marketing Service.

### The Service Expands

The egg-grading service in Michigan has been expanding very rapidly during the past two years, and for the fiscal year ending July 1, 1940, over 4,319,000 dozens of eggs were graded. This is approximately two-and-a-half times more than were handled during the previous year. Eighteen Federal-State Egg Grading Stations are now operating in the State, and eggs are received from producers in 34 counties, and five more organizations have signed agreements for the service. A year earlier only seven stations were in operation.

The packers of Government-graded eggs also carry on a quality egg production program with producers and follow efficient methods of collection and handling to assure a supply of better-quality eggs. With this program considerable work has been done along educational lines, creating consumer demand for Government-graded eggs as well as teaching producers methods that will result in a higher yield of the top quality.

The egg-grading service has undoubtedly furnished farmers with an incentive for producing better eggs. The consumer who buys U. S. Special or U. S. Extra Grade eggs--the top qualities--pays a little more for those grades. The retailer also pays more, and so on back through the channels of trade to Farmer Smith, who receives higher prices because he has followed efficient production methods.

Not all eggs grade U. S. Special or U. S. Extra, of course, and not all consumers demand those grades. Available to such consumers are lower grades--U. S. Standard, and U. S. Trade qualities. These eggs are priced according to their relative position on the quality scale. In other words, at any given time U. S. Extra eggs will sell for more than those grading U. S. Standard. Here, too, the price paid for a given quality is reflected right back to the poultry farm.



The steady increase in the volume of Government-graded eggs in Michigan is indicative of the quality reputation that has been built. It has been noted repeatedly that as soon as an egg-grading station is put in operation the quality of the eggs marketed in that particular area shows a steady improvement.

### The Service Brings Better Prices

One of the largest handlers of Federal-State graded eggs in Michigan has made the statement that the privilege of designating eggs as "Government Graded" increases the net return to his producers an additional 2 cents per dozen even though the eggs might have been the same quality without the certificate. It is conservatively estimated that the egg producers of Michigan who marketed their eggs through the Federal-State Egg Grading Stations received a half million dollars more in the past year than if they had marketed through the ordinary channels.

A large part of the retail containers of Government-graded eggs marketed in Michigan are sealed with certificates of quality that indicate the size and grade of the eggs, as well as the date the eggs were graded or inspected. The adoption of this system of marketing has permitted egg distributors, individual consumers, and Government institutions to demand from egg dealers a given grade and quality and to be sure of receiving that grade and quality. The buyer is able to eliminate the risk from buying and selling so far as quality is concerned and this makes it possible for him to operate on a smaller margin of profit--a factor beneficial to producers and to consumers alike. Grading reduces transportation costs by sorting out the eggs that are not worth long hauls. Grading makes less rehandling necessary--rehandling that causes more rapid deterioration and increases costs. Grading sorts out the eggs that would not keep well in storage and makes them ready for immediate sale or disposition. And grading lessens the time and effort required to bring buyers and sellers together by providing a common language in describing the size and quality of the product. This common language of quality, of course, is based on the Government standards for grades of eggs, which are the same at all seasons of the year and in all parts of the United States. Thus, producers, distributors, and consumers know that the grades cannot be misrepresented. This confidence in quality leads to market stability.

The Federal standards for grades of eggs are also the basis for a market news service that is located in Detroit. Under the plan adopted through a Federal-State cooperative agreement, information is obtained and compiled at Detroit on the number of cases received and prices paid by the first receivers for Federal-State graded eggs f.o.b. Detroit. The prices received by producers, therefore, are the Detroit prices minus the costs incurred by the grading station, which include grading, the cost of the package, and transportation to Detroit. Producers have found this market news service, operated on a quality basis, extremely helpful in evaluating the prices received for graded eggs.



## BRITISH INCREASE PURCHASES OF AMERICAN PROCESSED MILK

United States exports of processed milk to the British market during the first 10 months of 1940 totaled 71 million pounds, compared with 274,000 pounds during the corresponding period of 1939, the Office of Foreign Agricultural Relations said recently.

With the outbreak of the war, supplies from Denmark and the Netherlands were cut off, leaving the United States and Canada as the nearest sources of supply. Most of the 71 million pounds of processed milk shipped to Great Britain during the first 10 months of 1940 moved out of United States ports during August, September, and October.

Indications are that the United Kingdom is now confronted with a shortage of milk because of limited feed supplies and a lack of processed milk from the Continent. While the shortage is believed to be temporary, steps have been taken to regulate consumption. Included among such measures are an increase in the fixed price of fluid milk, prohibitions on the use of milk in making ice cream, restrictions on the consumption of fluid milk by other than mothers, children, and patients in hospitals, and restrictions on the sales of condensed milk.

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## 2 ADDITIONAL CONTRACT MARKETS DESIGNATED UNDER COMMODITY EXCHANGE ACT AMENDMENT

Two additional commodity exchanges--the Memphis Merchants Exchange Clearing Association and the Chicago Open Board of Trade--have been designated as contract markets authorized to conduct trading in futures in certain commodities named in the Pace Amendment to the Commodity Exchange Act. The Amendment, which became effective December 8, places futures trading in all fats and oils (including lard, tallow, cottonseed oil, peanut oil, and soybean oil), cottonseed meal, cottonseed, peanuts, soybeans, and soybean meal under the jurisdiction of the Commodity Exchange Administration.

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Development of a new variety of okra that is expected to fill the need of canning and soup companies for a smooth-podded, green okra that will hold its green color when processed has been announced by horticulturalists of the Louisiana State University Agricultural Experiment Station. There are other green varieties of okra but this is the first that combines a round shape with green color, and is also the first that does not lose its green color when processed. Pods of the variety are spineless, long, and remain tender over a longer period than do those of most varieties. The variety was grown in several localities of the United States this year.

## DEFENSE ORDERS STIMULATE DOMESTIC WOOL CONSUMPTION

Under the stimulus of large orders for Army materials, domestic mill consumption of apparel wool has reached the highest level since 1918 and is likely to continue at a high level into 1941, the Bureau of Agricultural Economics stated recently. The high rate of consumption in prospect will tend to support prices of domestic wools but with imports entering the United States in relatively large quantities, prices of domestic wools in the next several months will be influenced to a considerable extent by the prices paid for imported wools.

United States imports of apparel wool for consumption totaled 158.5 million pounds in the first 10 months of this year. The January-October imports were larger than those for the same months of any recent year. Imports of apparel wool in October, totaling 25.6 million pounds, were the largest monthly total since early 1937.

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## WHEAT CROP INSURANCE INDEMNITIES TOTAL 22 MILLION BUSHELS FOR 1940

Crop insurance offset heavy losses of wheat growers this year, particularly of those in four of the largest producing States where near-record acreage abandonment occurred. The Federal Crop Insurance Corporation announced recently that abandonment of acreage in Nebraska, Kansas, Texas, and Oklahoma accounted for the bulk of about 22 million bushels in indemnities paid farmers throughout the country under the 1940 crop insurance program. The growers paid for their protection with almost 15 million bushels of wheat in premiums.

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## NEW YORK EXPERIMENT STATION WORKERS DEVELOP NEW BEVERAGE

The newest fruit beverage developed by specialists of the New York State Experiment Station at Geneva is "Apple Raspberry Juice." The new beverage is a pure fruit juice prepared from a mixture of black and purple raspberries blended with apple juice that has been extracted from sound, hand-picked, and washed Baldwin and Cortland apples. The juice is described as a pleasant appetizer or a delightful cocktail. It has a deep purple color and a full rich raspberry flavor that blends with the flavor of the apple juice to make something entirely new in the way of a fruit beverage.

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Iowa led in popcorn production in 1940 with 30,080,000 bushels.



## OUR CONTRIBUTORS OF THE PAST YEAR

Comments and letters of our readers on the special articles published in Marketing Activities during 1940 have been very encouraging. A number of magazines have also flattered us no end by reprinting some of these stories for their own circle of readers. Our authors can take a large part of the credit for a successful year.

But not all of the marketing story has been told by any means. Marketing, like production, is in a continual state of evolution as it moves in the direction of greater efficiency. Further improvements can be expected during the coming year in agricultural statistics, market news, standardization, inspection, research, demonstrations, and regulatory work. Our contributors of the past year--and many new ones--will be given an opportunity to present this ever-changing picture to the public in 1941.

The following is a list of the special articles that appeared in Marketing Activities from January to December, 1940, inclusive:

January

WHEAT YIELDS AND SOIL MOISTURE.....	R.K. Smith
NEW YORK AND CHICAGO FRUIT AND VEGETABLE PRICES ANALYZED.....	J.W. Park
SOME CONTAINERS STANDARDIZED.....	L.C. Carey
THE 1940 TRUCK CROP NEWS PROGRAM.....	Reginald Royston

February

EFFICIENT AGRICULTURE THREATENED BY INTERSTATE BARRIERS TO TRADE.....	E.L. Burtis and F.V. Waugh
WHAT KINDS OF COTTON DO MILLS PREFER.....	J.W. Wright
GOOD CROPS FROM GOOD SEEDS.....	W.A. Davidson
COOPERATION IN ACTION (Cooperative Agreements).....	H.F. Fitts

March

ONLY \$7.72 (Action under the P. and S. Act).....	M.O. Cooper
ROADSIDE MARKETS IN 1940.....	Caroline B. Sherman
A DIFFERENT KIND OF MARKET REPORT.....	Harry W. Henderson



April

WHY ARE HOG PRICES LOW?.....	C.L. Harlan
TOBACCO TYPES MAKE THE FLAVOR.....	J.V. Morrow
LARD--AN UNSTANDARDIZED COMMODITY.....	M.T. Foster

May

SPECIAL REPORT URGES MODERN PRODUCE MARKET FOR NEW YORK.....	Editorial
CONSUMER GRADING, COOPERATION, AND LABOR PROBLEMS HIGHLIGHT MARKETING CONFERENCE.....	J.R. Cavanagh
A NEW MARKET FOR ATLANTA.....	W.C. Crow
PROBLEMS IN ADOPTING THE MILK COW.....	John L. Wilson

June

GRADE-LABELED CANNED FOODS FOR CONSUMERS.....	Paul M. Williams
WAR AND WHEAT PRICES.....	Robert E. Post
COTTON "BALE CUTS" AND THEIR CAUSE.....	John W. Wright

July

THE CROP REPORTING BOARD AND THE FARMERS SWAP INFORMATION.....	W.F. Callander
THE GOVERNMENT EXPERIMENTS WITH CONTINUOUS INSPECTION.....	Paul M. Williams
MILLING AND BAKING RESEARCH SUPPLEMENTS AMS GRAIN TESTS.....	Ray Weaver

August

CONCENTRATION MARKETS IN SOUTHEASTERN STATES.....	C.P. Austin
EGG BREAKING INDUSTRY MAKES RAPID EXPANSION.....	R.F. Moore
THE CROP REPORTING BOARD ESTIMATES COTTON PRODUCTION.....	F.H. Whitaker
THE NEW SURPLUS MARKETING ADMINISTRATION.....	J.B. Hasselman
VEGETABLE SEEDS GO UNDER FEDERAL SEED ACT AUGUST 9.....	W.A. Davidson

September

## MASSACHUSETTS CRANBERRIES TRACE

THEIR ANCESTRY BACK TO MAYFLOWER.....C.D. Stevens

COTTON TRADE LIKES UNIFORM-WEIGHT BALES.....John W. Wright

PEARS--A \$19,000,000 INDUSTRY.....H.H. Stippler

HONEY CROPS DEPEND ON FAVORABLE WEATHER.....Harold J. Clay

October

## TOBACCO FARMERS STUDY

PROPER SORTING METHODS.....Chas. E. Gage

## APPLE PRODUCERS SIZE UP

CURRENT-SEASON PROSPECTS.....Gustave Burmeister

## NET-WEIGHT TRADING RELATED TO

EXPORT SALES OF AMERICAN COTTON.....John W. Wright

## CONSUMERS ASSURED OF AMPLE

TURKEY SUPPLIES THIS SEASON.....Harry W. Henderson

November

## TURKEY ROASTING IS EASY;

JUST FOLLOW DIRECTIONS.....Elma Edwards

## NEW ENGLAND HOST TO MARKETING

OFFICIALS' ANNUAL CONVENTION.....J.R. Cavanagh

## RICE PRODUCTION AND MARKETING

A HIGHLY SPECIALIZED INDUSTRY.....E.O. Pollock

FARM INCOMES WILL BE LARGER IN 1941.....F.L. Thomsen

December

TWENTY YEARS OF MARKET BROADCASTS.....E.J. Rowell

## ARE GRADES FOR CANNED FOODS

OF ASSISTANCE TO CONSUMERS?.....C.W. Kitchen

## COLOR'S PLACE IN COMMERCE,

INDUSTRY, AND AGRICULTURE.....Dorothy Nickerson

## MEMBERS OF 1573 COTTON GROUPS

ELIGIBLE FOR FREE CLASSING SERVICE.....W.B. Lanham



## CLASSIFYING AND GRADING PRACTICES PROMOTE EFFICIENCY IN HOG MARKETING

The theory that "a hog's a hog" doesn't hold true today, writes Don J. Slater, Agricultural Marketing Service specialist, in Circular No. 569--"Market Classes and Grades of Swine." Slater says that widely divergent production practices, variations in available feed supplies, and other factors result in a wide range in the weight, conformation, finish, and quality in the millions of hogs that are marketed annually. And changes in consumer preference, variations in the export demand for pork products, sectional and seasonal preferences, and other factors reflect a varied demand for hogs. These variations of quality and of demand are reflected in the prices that are paid for hogs.

The practice today is to sort swine into groups, with each group having a comparatively narrow range of variation with respect to physical characteristics. Known as classifying and grading, this sorting has given rise to the development of standard market classes and grades for swine.

The practice of classifying and grading swine before sale helps the purchaser to buy the kind of animals he wants, and facilitates the more accurate appraisal of their value. It provides a basis for market reports and comparable statistical data such as prices at different points. The practice also helps the producer to plan his production and marketing program by keeping him informed as to the relative demand for hogs of different weights and grades.

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## DOMESTIC DEMAND FOR FARM PRODUCTS IS STIMULATED BY DEFENSE PROGRAM

Domestic demand for farm products continues to improve in response to gains in industrial activity and the income of industrial workers, the Bureau of Agricultural Economics reported recently in its monthly analysis of the demand and price situation.

The effects on demand of the improvement in business conditions have recently been quite evident in connection with several farm products. Hog prices, despite heavier marketings, were higher in mid-December than a year earlier. Dairy product marketings and prices are substantially above last year. And egg marketings and prices have averaged somewhat higher in recent months than at the same time in 1939.

Although these recent evidences of improved domestic demand for farm products followed by several months the upturn in industrial activity, a lag of this extent is not at all unusual, the Bureau said. A tendency has also been noted for costs of farm production to rise. The Bureau believes that part of the increase in prices and income in 1941 will be offset by higher costs.

## -PERTAINING TO MARKETING-

The following publications in the general field of farm-product marketing, issued recently, may be obtained upon request from:

## Agricultural Marketing Service:

Report of the Chief of the Agricultural Marketing Service, 1940

Some Observations of the Past 25 Years and Suggestions for the Future as they Affect Distributors of Fresh Fruits and Vegetables.....By C.W. Kitchen (Address)

Federal-State Cooperation in Marketing Services.....By C.W. Kitchen (Address)

Retail Trade Practices and Preferences for Late-crop Potatoes in Chicago and Suburbs, and Quality Analyses of Potatoes Offered for Sale to Consumers, 1940.....By R.L. Spangler

Retail Trade Practices and Preferences for Early-crop Potatoes in Chicago, and Quality Analysis of Potatoes Offered for Sale to Consumers, 1940.....By R.L. Spangler

Indiana Corn--Estimated Planted Acreage, Yield, and Production, 1928-39, By Counties.....By M.M. Justin and R.E. Straszheim

South Dakota Corn--Estimated Planted Acreage, Yield, and Production, 1928-39, By Counties.....By Evan V. Jones

Schedule, Contents of 1941 Crop and Livestock Reports

Commercial Truck Crops For Market. Planting, Harvesting, and Marketing Dates, Important Areas of Production, and Average Acreage, Yield, and Production

Market Summaries, 1940 Season:

Marketing North Carolina Peaches  
Marketing North Carolina Potatoes  
Marketing North Carolina Watermelons  
Marketing Imperial Valley Lettuce

## Bureau of Agricultural Economics:

Seasonal Farm Labor in the Southeast.....By W.T. Ham  
Roadside Markets (Revised).....By Caroline B. Sherman  
Agriculture and Low-Cost Transportation.....By E. Hjalmar Bjornson